



CLIMATE WATCH

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GCC PRESENTS NEW TECHNOLOGY EXPORT GUIDE TO COMMERCE SECRETARY RON BROWN

Jerry Jasinowski, president of the National Association of Manufacturers and GCC chairman, presented the first copy of GCC's *Resource Guide for Exporting* to Secretary of Commerce Ron Brown. The guide is a compilation of U.S. government and international agency programs designed to assist U.S. companies seeking to export energy-efficient goods and technology to foreign markets.

Jasinowski expressed appreciation to Secretary Brown, crediting him for his role in helping to open doors for U.S. manufacturers abroad. "We look forward to continuing to work with the administration as strides are made in promoting the development and export of energy-efficient and environmental technology," said Jasinowski. "This resource guide is intended as a first step in encouraging further business-government cooperation and in providing the kind of information businesses

can use to seek opportunities to export goods, technology and know-how to foreign markets."

GCC Executive Director John Shlaes said the coalition is committed to providing U.S. ingenuity and technology to increase growth and development in overseas markets. "This resource guide will help U.S. companies to sort through a wide range of U.S. government programs and assist in facilitating the export of environmental, energy-efficient and other products," Shlaes explained.

"Despite the scientific uncertainty surrounding the predictions of climate change, GCC has always supported efforts that make good economic sense and have the added benefit of reducing greenhouse gas emissions," Shlaes added. "Increasing technology exports can produce economic rewards for the U.S. and produce significant improvements in energy efficiency and the environment in other parts of the world,

where emissions continue to grow."

GCC developed the resource guide in cooperation with the Trade Promotion Coordinating Committee and the U.S. Department of Commerce. Work on the guide was coordinated by the GCC Technology Cooperation Committee, chaired by Robert Cole, and the guide was edited by William Merkin of Strategic Policy, Inc. ●



Commerce Secretary Ron Brown receives the first copy of GCC's Resource Guide for Exporting from Jerry Jasinowski, president of the National Association of Manufacturers and chairman of the GCC. In the background from left to right are John Shlaes, executive director of the GCC; William Merkin, editor of the resource guide; and Robert E. Cole, chairman of the GCC Technology Cooperation Committee.

Copies of the Resource Guide for Exporting can be obtained by contacting the GCC Press Office, (202) 628-3622.

DEVELOPING NATIONS' EMISSIONS SOAR

Developing nations are now the world's leading emitters of carbon dioxide, according to a new report by the Department of Energy's Energy Information Administration (EIA).

Between 1970 and 1992 developing nations' share of global energy-related carbon dioxide (CO₂) emissions rose from 43 percent to 52 percent, the report said. During this time energy consumption more than doubled and carbon

"It shatters the conventional wisdom that... industrialized nations should shoulder the load of...emissions reductions."

emissions increased 82 percent. By contrast, CO₂ emissions from the world's 24 major developed nations grew only 28 percent, despite a 40 percent increase in overall energy use.

The emissions increase in developing nations is primarily a result of increased use of fossil fuels for transportation and electricity as standards of living improve, the report said. "On a worldwide basis, fuel use and carbon emission increases derived principally from increased generation of electric power and increased use of motor fuel for transport. In both developed and developing areas of the world, electricity demand has increased faster than economic growth. In developed countries, electricity demand doubled between 1970 and 1990. In developing areas, the increase was 300 percent."

Asked about the EIA's findings, GCC Executive Director John Shlaes said,

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CONFERENCE PROMOTES NEW FOSSIL FUEL IMAGE

Fossil fuels are essential to the continued success of the American economy in creating jobs, remaining competitive and, consequently, ensuring environmental protection, GCC Executive Director John Shlaes told the audience at a recent Air & Waste Management Association conference on global climate change.

Fossil fuels account for almost 90 percent of total U.S. energy consumption and 85 percent of purchased energy used by manufacturing industries, making fossil fuels "a valuable resource in driving our economy," according to Shlaes. "Any new policy measures to reduce our use that are not cost effective could significantly increase costs to our domestic industry and perhaps force manufacturing to look elsewhere for resources." The challenge, Shlaes concluded, is to continue to develop technologies that get the most out of fossil fuel resources while having the least possible effect on the environment.

However, the economic consequences of dramatic reductions were only one aspect of the discussion of fossil fuels at the conference. New scientific evidence presented by Dr. George Kukla of Columbia University's Lamont-Doherty Earth Observatory suggests that the burning of fossil fuels may in fact be responsible for maintaining an essential atmospheric balance and that cutbacks in fossil fuel use may actually enhance the greenhouse effect. ●

Source: Air & Waste Management Association release, April 6, 1994.



GCC Executive Director John Shlaes discussed the importance of fossil fuels to the continued strength of the U.S. economy at an Air & Waste Management Association conference on global climate change in Phoenix, Arizona.

INDUSTRY INITIATIVES

GIVE VOLUNTARY INDUSTRY INITIATIVES A CHANCE TO WORK, GCC TELLS SENATE

GCC members are committed to "actively seeking to participate in the [Climate Change Action] Plan's programs where it makes economic sense to do so," GCC Chairman Jerry Jasinowski told the Senate Energy and Natural Resources Committee on May 10. He added that poorly timed evaluations of the plan could thwart its success and jeopardize the U.S. economy.

Jasinowski urged the committee not to judge the effectiveness of the plan's voluntary initiatives prematurely: "Many of the programs will have barely begun and some will not yet be under way when the Plan is reviewed next fall for incorporation into the [U. S.] National Action Plan."

If adequate time is not allowed for the Climate Change Action Plan to work, the administration will give "critics of the partnership approach...ammunition to renew their cry for 'command and control' mandates," Jasinowski told senators.

Restrictive mandates would hamper the U.S. economy and cannot be justified scientifically, he said. "Current models, which cannot replicate the past climate changes, cannot be relied on for forecasting temperatures 50 to 100 years from now....The administration should acknowledge that it will approach the need to resolve scientific uncertainty with the same level of urgency as its does its plans to monitor and evaluate progress on the Plan," Jasinowski said.

To illustrate industry's commitment, Jasinowski cited a recent survey of GCC members' actions to reduce greenhouse gases: "Eleven member trade associations and companies have agreed to participate in the Green Lights program, 13 in the Motor Challenge program and seven in the Climate Challenge." Jasinowski said the "numbers are just the tip of the iceberg, since they do not include all the member companies of our trade association members who have agreed to participate." ●

Copies of the testimony can be obtained from the GCC.

DOE, UTILITIES ANNOUNCE NEW INITIATIVES UNDER 'CLIMATE CHALLENGE' PROGRAM

The Department of Energy and the Edison Electric Institute together are establishing five new industry-wide programs and nearly 50 other individual options in which utilities can participate as part of the Climate Challenge, a key component of the president's Climate Change Action Plan. Among the central programs are:

- **The Electric Utility Industry's Electrotechnology and Renewable Energy Investment Pool**, a limited partnership to market electrotechnologies and renewable energy technologies developed by small companies;
- **The Utility Forest and Carbon Management Program** to initiate forestry projects that sequester carbon in trees and other plants, conserve energy by using trees for shading and windbreaks, and reduce forest-related CO₂ emissions;
- **EV America**, a multi-phase market demonstration program to promote the increased use of electric vehicles;
- **The International Utility Efficiency Partnership Program**, a cooperative effort among the utility industry and governmental and international organizations to improve the operation and efficiency of foreign power plants and electric power systems, assist in privatization efforts, establish conservation and demand-side management programs, and encourage the use of renewable resources; and

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Executive Director's Column

CLIMATE CHANGE ALTERS INTERNATIONAL ECONOMIC, POLITICAL AND SOCIAL LANDSCAPE

By John Shlaes

As the United Nations continues to move into new areas of activity and influence, the climate change issue will continue to be negotiated and debated against a rapidly changing world of new relationships and economic instruments.

These changes will bring both increased interdependency and competition among nations. These changes can be viewed as a bellwether of the increasing globalization of economic and political activity that is evolving in a volatile world. According to Peter Dicken in his recent book *Global Shift*, "It is in the manufacturing sector that major global shifts are most apparent." U.S. manufacturing, which represents almost a third of our GDP, is where, according to Dicken, "many of the developing countries look (rightly or wrongly) to stimulate the development of their economies." Against this backdrop, the climate issue is one of the most significant issues confronting business and the international commu-

nity in the next several years.

The Framework Convention on Climate Change, which was negotiated in 15 short months and is not quite two years old, already has led to a wide range of new partnerships between U.S. business and the government, the U.N. and its members, and preliminary relationships between developing and developed countries. Through the treaty, industry worldwide will be facing new opportunities and potentially new international regulatory schemes, while confronting the challenges of viably competing in a global economy.

The economic, social and political challenges that all nations will confront as they attempt to put in place programs to develop their economies and provide sustainable growth will be immense. The climate change issue is one of the first truly global policy issues that forces us to consider new approaches to the environment, energy, economics, international regulation and competitiveness. We must

understand that the results of this debate and these negotiations will go far beyond our efforts to develop more fuel-efficient autos, or burn fuels more efficiently. Policies will be debated and perhaps implemented that could dictate trade policies and concepts, reflect growing population pressures, enhance scientific and technology innovation, and improve the living standards of developing countries. Furthermore, international organizations will be looking to take on new roles—including some that were previously the sole domain of national governments.

We all understand that the world and its organizing bodies are changing. However, we must also remain aware of how our national interests fit into global aspirations and how we are affected by international regulation. Therefore, it is vital that the climate debate have input from all sectors of the new world economy—economists, manufacturers, social scientists, trade experts and others, as well as climate scientists. ●

Developing Nations' Emissions Soar

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"The value of this report to policymakers at the United Nations and in capitals around the world is that it shatters the conventional wisdom that the United States and other industrialized nations should shoulder the load of future emissions reductions."

"Emissions are rising so rapidly in developing nations that cuts by the United States and other developed nations may have no significant long-term impact on the global greenhouse tally," Shlaes said.

The EIA report, entitled "Energy Use and Carbon Emissions: Some International Comparisons," is the first in a series. EIA officials plan to complete additional analyses of sectoral energy use patterns, comparative energy policies and opportunities for technological change. ●

'Climate Challenge'

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- **The National Earth Comfort Program**, a partnership among the utilities, heat pump manufacturers and the EPA to promote the use of geothermal heat pumps.

EEI President Thomas Kuhn called the Climate Challenge initiatives "a significant milestone. The Climate Challenge ... shows that a voluntary program makes sense and can achieve meaningful reductions of greenhouse gases. It also demonstrates that electric utilities, and electricity, can be part of the solution to environmental issues."

For further information contact Peter Jump at EEI, (202) 508-5657.



Energy Secretary Hazel O'Leary and GCC member and EEI President Thomas Kuhn celebrated Earth Day by jump-starting Climate Challenge, a voluntary partnership between the DOE and the electric utility industry.

The report can be obtained from EIA's National Energy Information Center at 202/586-8800. For additional information, contact Arthur Andersen, Director of Energy Markets and Contingency Information Division, 202/586-1441.

FOREIGN NEWS DIGEST

New scientific evidence refutes forecasts of a "runaway" greenhouse effect and catastrophic coastal flooding.

According to an article in the *London Times*, the vision of a greenhouse warming in which rising global temperatures melt polar ice caps and cause sea levels to rise dramatically and inundate coastal areas is being challenged once again. (See *Climate Watch*, December/January 1994 and March 1994.)

New findings dismiss the possibility of severe warming-related flooding. David Sugden, a geography professor at Edinburgh University, and George Denton, a geology professor at the University of Maine, report that volcanic ash found on rock surfaces near the edge of the Antarctic ice sheet shows little

change in the "polar desert" conditions during the past 15 million years.

The ice sheet has, in fact, been thickening during the past 38 million years, the researchers discovered. More surprising, the researchers found that a warming of up to 5 degrees Celsius might accelerate this trend by bringing moister air and increasing snowfall. (The London Times, March 27, 1994: "Scientists dismiss global warming leading to floods.")

Estimates of temperature increases over the past century may be exaggerated, according to a report in *The London Daily Telegraph*. Science writer Matt Ridley cites Dr. Robert Balling, director of the Office of Climatology at Arizona State University, who says that when the

temperature data are adjusted for important factors such as urbanization and changes in stratospheric volcanic dust, the estimated increase in temperatures since 1893 falls from 0.45 degrees Celsius to only 0.2 degrees Celsius.

Ridley also writes, "Even the underlying greenhouse theory no longer seems invulnerable." Dr. John Emsley of Imperial College believes that atmospheric carbon dioxide may be at its saturation point for absorbing heat radiated from Earth's surface. This means that the existing concentration of CO₂ "mops up" most of the radiated heat, and higher CO₂ levels would have no additional heating effect. (The London Daily Telegraph, March 28, 1994: "Let's not get too steamed about the greenhouse effect.")

Warming Alarmists Recant

The compelling new evidence reported in *The London Times* and the *London Daily Telegraph* is prompting some environmental "alarmists" to recant earlier warnings. British environmentalist Bryn Jones tells *The London Times* that his flooding predictions during the 1980s were "a mistake." Jones explains his error by saying that he had been "desperate to make people share his concern about the greenhouse effect." Jones is the former director of Ark, a group that organizes rock concerts to raise funds to support environmental efforts.

London Daily Telegraph science reporter Matt Ridley makes a similar statement: "Like most science writers, I used to be a global warming alarmist. . . . For several years . . . I treated skeptics of [global warming] as engaging eccentrics, motivated largely by contrariness. But now I am not so sure. It is time the skeptics were taken seriously."

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